

Press Release

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Organisations Fail to Measure or Manage the Customer Experience

The Conclusion of Latest White Paper from Verint Consulting, Based on International Research from Ventana Research

WEYBRIDGE, UK, 16 July 2008 – A new white paper published by **Verint® Consulting** and based on international research by Ventana Research concludes that, while organisations agree that the quality of the customer experience they deliver has a direct impact on customer loyalty, advocacy and spend, most do a poor job of measuring and managing it. Wholly dependent upon subjective feedback from agents and customers, they are unable to interpret how the experience they deliver impacts subsequent customer behaviour – such as their likelihood to spend more, remain loyal or provide advocacy.

Key research findings include:

- 81 percent of organisations agree that the customer experience impacts loyalty and advocacy; 73 percent concur that it impacts satisfaction and spend.
- Less than one third of organisations use analytics to understand what is happening in customer interactions; most rely on subjective, irregular and delayed feedback from agents and customers.
- Less than two thirds have documented processes to govern the customer experience they deliver; and less than a third has processes for handling multi-channel interactions.

Verint Consulting's Director Helen Murray comments, "Customer satisfaction has proved over time to be a poor indicator of customers' true feelings or intentions.

Nevertheless, in the absence of a viable alternative, organisations have dutifully persevered with it, investing time, energy and resource to improve their scores. They have done so despite the fact that they can make no reliable correlation between those scores, their customers' subsequent behaviour and their own business performance."

Not only are organisations failing to adequately measure the customer experience they deliver, they are also displaying an inability to manage it. More than one third lack documented processes to govern telephone calls. The figure rises to 65 percent and 66 percent for web and IVR-based self service respectively, and only 28 percent have documented processes for handling a single interaction across multiple channels.

"The meaningful analysis of customer experience data can not realistically be achieved by organisations serving large customer bases without the use of technology to automate the process," says Murray. "Those companies that are adopting newly emerging speech, data and customer feedback analytics technologies and processes to analyse and understand the customer experience, however, are making significant progress in correlating that analysis with subsequent customer behaviour."

According to the research, 61 percent are making a correlation between customer experience analysis and customer loyalty, 56 percent with levels of complaints, 43 percent with customer life time value and 39 percent with customer advocacy. Twenty percent of organisations have already deployed such specialised analytics or business intelligence tools, and 42 percent reported they will consider doing so in the next year.

"True customer experience management depends upon the ability to analyse the customer interaction and correlate that analysis with customers' subsequent behaviour," adds Murray. "In this way, we can identify those behaviours that have the greatest positive impact on customers and, therefore, on business value."

Richard Snow, Vice President and Research Director, Ventana Research, agrees, stating, "Companies need to understand customer behaviour better. To do so, they need to get more from their customer related data, including a more reliable view of the individuals they're doing business with."

Verint Consulting's white paper advocates five steps towards effective customer experience management:

- Use analysis of the customer experience, correlated with subsequent customer behaviour, to identify those interaction characteristics that have the most positive impact on customers.
- Apply this understanding to design and document interaction handling procedures that reinforce positive customer outcomes.
- Reinforce these processes through effective training, competency-based eLearning and ongoing quality management, creating a measurable link between quality scores and bottom line results that the organisation can embrace and monitor.
- Move towards organisation-wide customer centricity by using customer experience analysis to direct strategy in multiple business areas, including product design, manufacturing, marketing, distribution, billing and after sales support.
- Continue to solicit customer feedback but do so in real time, using its findings to prompt immediate customer-focused action and share the analysis with all business departments whose activities impact the customer experience.

"For several years now, the customer management industry has expressed a desire to 'put the contact centre at the heart of the enterprise.' This is a laudable endeavour but one that, surely, misses the point. If our organisations are to thrive, it is customers themselves who must occupy this space," concludes Murray. "This report makes it clear that the ability to analyse interactions at every customer touch point and via every channel makes this goal achievable."

For your free copy of Verint Consulting's white paper "Beyond Satisfaction: Measuring and Managing the Customer Experience," call Maya Patel on +44 (0)1932 839 500 or email maya.patel@verint.com.

Copies of Ventana's full "Customer Experience Management: Insights from Benchmark Research," which informs the white paper, are available by contacting Ventana at clientservices@ventanaresearch.com.

NOTES FOR EDITORS

About the research methodology

The research was carried out by Ventana Research, and sponsored by Verint Consulting, among more than 250 customer management decision makers worldwide. Conducted via a web-based survey between February and March 2008, the study was designed to benchmark companies' understanding of customer experience management, current and intended practices for managing the customer experience when calling a contact centre or using web-based self-service, and for monitoring and measuring the outcome from customer interactions.

About Ventana Research

Ventana Research is the leading research and advisory services firm focused on the intersection of people, processes, information and technology to enable breakthrough performance. By providing expert insight and detailed guidance, Ventana Research helps clients operate their companies more efficiently and effectively. To learn more visit www.ventanaresearch.com.

About Verint Consulting

Verint Consulting (previously CM Insight) is a leading customer management consultancy that generates tangible business value for clients by transforming their customers' behaviour – encouraging them to spend more, remain loyal and provide advocacy that delivers business growth.

Its consultancy services encompass customer management strategy, call centre operations and related business process management. Focused on service excellence and operational efficiency, they are deployed to define the customer interactions that generate the most positive customer responses and deliver them through economically viable operating models.

Verint Consulting has carried out customer management programmes for national and international clients in every business sector and across government.

Verint Consulting is the customer management consulting business of Verint Systems and its Verint® Witness Actionable Solutions™ business line.

About Verint Systems Inc.

Verint Systems Inc. (VRNT.PK), headquartered in Melville, New York, is a leading provider of actionable intelligence solutions for an optimised enterprise and a safer world. Today, more than 10,000 organisations in over 150 countries rely on Verint solutions to perform more effectively, build competitive advantage and enhance the security of people, facilities and infrastructure. Visit us at our website www.verint.com.

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release are made as of the date of this press release and, except as required by law, the Company assumes no obligation to update or revise them or to provide reasons why actual results may differ.

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